



5929 Balcones Drive, Suite 200  
Austin, TX 78731-4280  
Phone: 512.343.2544  
Fax: 512.343.0119

REDACTED – FOR PUBLIC INSPECTION

**VIA ECFS**

October 15, 2013

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

RE: Annual Report for San Carlos Apache Telecommunications Utility, Inc. Pursuant to 47 C.F.R. §54.313 and 54.422, WC Docket Nos. 10-90 and 11-42

Dear Ms. Dortch:

In accordance with the annual reporting requirements of 47 C.F.R. §§ 54.313 San Carlos Apache Telecommunications Utility, Inc. (SCATUI or the Company), Study Area Code 452169, is submitting a completed FCC Form 481 to the Commission via its Electronic Comment Filing System (ECFS). Section 3005 of the Form 481 requires a privately-held rate of return carrier receiving high cost support to attach financial information pursuant to 47 C.F.R. § 54.313(f)(2). The Company maintains that the financial information is confidential and is submitting through ECFS a redacted document as an attachment for section 3005 of the FCC Form 481 in WC Docket Nos. 10-90 and 11-42.

SCATUI, by its authorized representative, hereby submits confidential information pursuant to 47 C.F.R. § 54.313(f)(2), under seal, subject to the Protective Order adopted November 16, 2012 in the above-named dockets.<sup>1</sup> The Company is providing to the Office of the Secretary the original and one copy of the cover letter and confidential information for WC Docket No. 10-90. The confidential information relates only to WC Docket No. 10-90. There is no claim of confidentiality for any information related to WC Docket No. 11-42.

Two copies of this cover letter and confidential information are also being delivered to Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau, in accordance with the Protective Order.

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<sup>1</sup> FCC Record DA 12-1857

Marlene H. Dortch  
October 15, 2013  
Page 2 of 2

The confidential information has also been submitted to the Universal Service Administrative Company through its E-File system as an attachment to the FCC Form 481.

Each page of the confidential submission bears the legend, "CONFIDENTIAL FINANCIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION"

An original and three copies of the redacted confidential information and cover letter are also being filed simultaneously with the non-redacted confidential information, in accordance with the August 6, 2013 Public Notice (DA 13-1707). Two copies are provided for WC Docket No. 10-90 and two additional copies are provided for WC Docket No. 11-42. The redacted version of the cover letter for this filing and each page of the filing is marked "REDACTED – FOR PUBLIC INSPECTION."

This cover letter includes no confidential information and the text is the same in both the non-redacted and redacted versions except for the confidentiality markings.

Please contact me if you have any questions.

Sincerely,



Jean Langkop  
Authorized Representative for  
San Carlos Apache Telecommunications Utility, Inc.

JL/pjf

Enclosures

cc: Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau,  
Federal Communications Commission, 445 12<sup>th</sup> Street, S.W., Room 5-A452, Washington,  
D.C. 20554 (2 hardcopies of non-redacted submission)  
Ms. Shirley Ortiz, San Carlos Apache Telecommunications Utility, Inc.

REDACTED - FOR PUBLIC INSPECTION

**FCC Form 481 - Carrier Annual Reporting  
Data Collection Form**FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

|   |                          |
|---|--------------------------|
| <010> Study Area Code   | 452169                   |
| <015> Study Area Name   | SAN CARLOS APACHE        |
| <020> Program Year  | 2014                     |
| <030> Contact Name: Person USAC should contact with questions about this data         | Shirley Ortiz            |
| <035> Contact Telephone Number:<br>Number of the person identified in data line <030> | 928-475-2433             |
| <039> Contact Email Address:<br>Email of the person identified in data line <030>     | shirley.ortiz@scatui.com |

| ANNUAL REPORTING FOR ALL CARRIERS   |   |                                     | 54.313<br>Completion<br>Required    | 54.422<br>Completion<br>Required    |
|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| (check box when complete)   |   |                                     |                                     |                                     |
| <100> Service Quality Improvement Reporting   | (complete attached worksheet)             | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            |
| <200> Outage Reporting (voice)  | (complete attached worksheet)             | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <210> <input checked="" type="checkbox"/> <-- check box if no outages to report           |   |                                     |                                     |                                     |
| <300> Unfulfilled Service Requests (voice)  | 6   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            |
| <310> Detail on Attempts (voice)  | 452169az310                               | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            |
| <320> Unfulfilled Service Requests (broadband)  |   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| <330> Detail on Attempts (broadband)  |   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| <400> Number of Complaints per 1,000 customers (voice)                                    |   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <410> Fixed   | 0.0                                       |                                     |                                     |                                     |
| <420> Mobile  |   |                                     |                                     |                                     |
| <430> Number of Complaints per 1,000 customers (broadband)                                |   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| <440> Fixed   |   |                                     |                                     |                                     |
| <450> Mobile  |   |                                     |                                     |                                     |
| <500> Service Quality Standards & Consumer Protection Rules Compliance                    | (check to indicate certification)         | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <510> 452169az510   | (attached descriptive document)           | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <600> Functionality in Emergency Situations   | (check to indicate certification)         | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <610> 452169az610   | (attached descriptive document)           | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <700> Company Price Offerings (voice)   | (complete attached worksheet)             | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| <710> Company Price Offerings (broadband)   | (complete attached worksheet)             | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| <800> Operating Companies and Affiliates  | (complete attached worksheet)             | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <900> Tribal Land Offerings (Y/N)? <input checked="" type="radio"/> <input type="radio"/> | (if yes, complete attached worksheet)     | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            |
| <1000> Voice Services Rate Comparability  | (check to indicate certification)         | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| <1010> <input type="checkbox"/>   | (attach descriptive document)             | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| <1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/> | (if not, check to indicate certification) | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| <1110>  | (complete attached worksheet)             | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| <1200> Terms and Condition for Lifeline Customers   | (complete attached worksheet)             | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

**Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet**

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

|        |                                   |                          |                          |
|--------|-----------------------------------|--------------------------|--------------------------|
| <2000> | (check to indicate certification) | <input type="checkbox"/> | <input type="checkbox"/> |
| <2005> | (complete attached worksheet)     | <input type="checkbox"/> | <input type="checkbox"/> |

**Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet**

|        |                                   |                                     |                          |
|--------|-----------------------------------|-------------------------------------|--------------------------|
| <3000> | (check to indicate certification) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <3005> | (complete attached worksheet)     | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

**(100) Service Quality Improvement Reporting  
Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

|       |   |  |
|-------|---|--|
| <010> | Study Area Code   | 452169   |
| <015> | Study Area Name   | SAN CARLOS APACHE  |
| <020> | Program Year  | 2014   |
| <030> | Contact Name - Person USAC should contact regarding this data                 | Shirley Ortiz  |
| <035> | Contact Telephone Number - Number of person identified in data line <030>     | 928-475-2433   |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | shirley.ortiz@scatui.com   |
| <110> | Has your company received its ETC certification from the FCC?                 | (yes / no ) <input checked="" type="radio"/> <input type="radio"/> |
|       | If your answer to Line <110> is yes, do you have an existing §54.202(a) "5    |  |
| <111> | year plan" filed with the FCC?  | (yes / no ) <input type="radio"/> <input checked="" type="radio"/> |

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

\_\_\_\_\_  
Name of Attached Document (.pdf)

Please check these boxes below to confirm that the attached PDF, on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113> Maps detailing progress towards meeting plan targets  
<114> Report how much universal service (USF) support was received  
<115> How (USF) was used to improve service quality  
<116> How (USF) was used to improve service coverage  
<117> How (USF) was used to improve service capacity  
<118> Provide an explanation of network improvement targets not met in the prior calendar year.

|                          |                          |
|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> |

**(200) Service Outage Reporting (Voice)**  
**Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

|       |   |                          |
|-------|---|--------------------------|
| <010> | Study Area Code   | 452169                   |
| <015> | Study Area Name   | SAN CARLOS APACHE        |
| <020> | Program Year  | 2014                     |
| <030> | Contact Name - Person USAC should contact regarding this data                 | Shirley Ortiz            |
| <035> | Contact Telephone Number - Number of person identified in data line <030>     | 928-475-2433             |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | shirley.ortiz@scatui.com |

[illegible]

**(700) Price Offerings including Voice Rate Data  
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

|       |   |                          |
|-------|---|--------------------------|
| <010> | Study Area Code   | 452169                   |
| <015> | Study Area Name   | SAN CARLOS APACHE        |
| <020> | Program Year  | 2014                     |
| <030> | Contact Name - Person USAC should contact regarding this data                 | Shirley Ortiz            |
| <035> | Contact Telephone Number - Number of person identified in data line <030>     | 928-475-2433             |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | shirley.ortiz@scatui.com |

|       |  |          |
|-------|--|----------|
| <701> | Residential Local Service Charge Effective Date    | 1/1/2013 |
| <702> | Single State-wide Residential Local Service Charge |          |

[illegible]



**(800) Operating Companies  
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

|       |   |  |
|-------|---|--|
| <010> | Study Area Code   | 452169   |
| <015> | Study Area Name   | SAN CARLOS APACHE                                  |
| <020> | Program Year  | 2014   |
| <030> | Contact Name - Person USAC should contact regarding this data                 | Shirley Ortiz                                      |
| <035> | Contact Telephone Number - Number of person identified in data line <030>     | 928-475-2433                                       |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | shirley.ortiz@scatui.com                           |
| <810> | Reporting Carrier   | San Carlos Apache Telecommunications Utility, Inc. |
| <811> | Holding Company   | San Carlos Apache Telecommunications Utility, Inc. |
| <812> | Operating Company   | San Carlos Apache Telecommunications Utility, Inc. |

[illegible]



|  |  |
|--|--|
| <b>(900) Tribal Lands Reporting<br/>Data Collection Form</b> | FCC Form 481<br>OMB Control No. 3060-0986/OMB Control No. 3060-0819<br>July 2013 |
|--|--|

|       |   |                          |
|-------|---|--------------------------|
| <010> | Study Area Code   | 452169                   |
| <015> | Study Area Name   | SAN CARLOS APACHE        |
| <020> | Program Year  | 2014                     |
| <030> | Contact Name - Person USAC should contact regarding this data                 | Shirley Ortiz            |
| <035> | Contact Telephone Number - Number of person identified in data line <030>     | 928-475-2433             |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | shirley.ortiz@scatui.com |

<910> Tribal Land(s) on which ETC Serves San Carlos Apache Tribe

<920> Tribal Government Engagement Obligation

452169az920

Name of Attached Document (.pdf)

If your company serves Tribal lands, please select (Yes,No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions;
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

|                           |
|---------------------------|
| Select<br>(Yes,No,<br>NA) |
| Yes                       |
|                           |
| Yes                       |
| Yes                       |
| Yes                       |
| Yes                       |
| Yes                       |
| Yes                       |
| Yes                       |

|  |  |
|--|--|
| <b>(1100) No Terrestrial Backhaul Reporting<br/>Data Collection Form</b> | FCC Form 481<br>OMB Control No. 3060-0986/OMB Control No. 3060-0819<br>July 2013 |
|--|--|

|       |   |                          |
|-------|---|--------------------------|
| <010> | Study Area Code   | 452169                   |
| <015> | Study Area Name   | SAN CARLOS APACHE        |
| <020> | Program Year  | 2014                     |
| <030> | Contact Name - Person USAC should contact regarding this data                 | Shirley Ortiz            |
| <035> | Contact Telephone Number - Number of person identified in data line <030>     | 928-475-2433             |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | shirley.ortiz@scatui.com |

<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G)
 ☐

<1130> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G)
 ☐

|  |  |
|--|--|
| <b>(1200) Terms and Condition for Lifeline Customers</b><br><b>Lifeline</b><br><b>Data Collection Form</b> | FCC Form 481<br>OMB Control No. 3060-0986/OMB Control No. 3060-0819<br>July 2013 |
|--|--|

|       |   |                          |
|-------|---|--------------------------|
| <010> | Study Area Code   | 452169                   |
| <015> | Study Area Name   | SAN CARLOS APACHE        |
| <020> | Program Year  | 2014                     |
| <030> | Contact Name - Person USAC should contact regarding this data                 | Shirley Ortiz            |
| <035> | Contact Telephone Number - Number of person identified in data line <030>     | 928-475-2433             |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | shirley.ortiz@scatui.com |

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of attached document (.pdf)

<1220> Link to Public Website

HTTP ://scatui.com/telephone/e-lifeline-linkup

“Please check these boxes below to confirm that the attached PDF, on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- |        |   |   |
|--------|---|---|
| <1221> | Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, | <div style="border: 1px solid black; width: 20px; height: 15px; display: flex; align-items: center; justify-content: center;">✓</div> |
| <1222> | Details on the number of minutes provided as part of the plan,  | <div style="border: 1px solid black; width: 20px; height: 15px; display: flex; align-items: center; justify-content: center;">✓</div> |
| <1223> | Additional charges for toll calls, and rates for each such plan.  | <div style="border: 1px solid black; width: 20px; height: 15px; display: flex; align-items: center; justify-content: center;">✓</div> |

**(2000) Price Cap Carrier Additional Documentation**

**Data Collection Form**

*Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

|       |   |                          |
|-------|---|--------------------------|
| <010> | Study Area Code   | 452169                   |
| <015> | Study Area Name   | SAN CARLOS APACHE        |
| <020> | Program Year  | 2014                     |
| <030> | Contact Name - Person USAC should contact regarding this data                 | Shirley Ortiz            |
| <035> | Contact Telephone Number - Number of person identified in data line <030>     | 928-475-2433             |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | shirley.ortiz@scatui.com |

**CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.**

**Incremental Connect America Phase I reporting**

- <2010> 2nd Year Certification {47 CFR § 54.313(b)(1)}
- <2011> 3rd Year Certification {47 CFR § 54.313(b)(2)}

|  |
|--|
|  |
|  |

**Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}**

- <2012> 2013 Frozen Support Certification
- <2013> 2014 Frozen Support Certification
- <2014> 2015 Frozen Support Certification
- <2015> 2016 and future Frozen Support Certification

|  |
|--|
|  |
|  |
|  |
|  |

**Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}**

- <2016> Certification Support Used to Build Broadband

|  |
|--|
|  |
|--|

**Connect America Phase II Reporting {47 CFR § 54.313(e)}**

- <2017> 3rd year Broadband Service Certification
- <2018> 5th year Broadband Service Certification
- <2019> Interim Progress Certification
- <2020> Please check the box to confirm that the attached PDF , on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

|  |
|--|
|  |
|  |
|  |
|  |

- <2021> Interim Progress Community Anchor Institutions

Name of Attached Document Listing Required Information

|  |
|--|
|  |
|--|

|   |  |   |
|---|--|---|
| <b>(3000) Rate Of Return Carrier Additional Documentation</b> |  | FCC Form 481  |
| <b>Data Collection Form</b>                                   |  | OMB Control No. 3060-0986/OMB Control No. 3060-0819 |
|   |  | July 2013   |

|       |   |                          |
|-------|---|--------------------------|
| <010> | Study Area Code   | 452169                   |
| <015> | Study Area Name   | SAN CARLOS APACHE        |
| <020> | Program Year  | 2014                     |
| <030> | Contact Name - Person USAC should contact regarding this data                 | Shirley Ortiz            |
| <035> | Contact Telephone Number - Number of person identified in data line <030>     | 928-475-2433             |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | shirley.ortiz@scatui.com |

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

**Progress Report on 5 Year Plan**

|        |   |  |  |
|--------|---|--|--|
| (3010) | Milestone Certification {47 CFR § 54.313(f)(1)(i)}<br>Please check this box to confirm that the attached PDF, on line 3012, contains the required information pursuant to § 54.313 (f)(1)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.  | Name of Attached Document Listing Required Information | <input type="checkbox"/>                     |
| (3012) | Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}   | Name of Attached Document Listing Required Information | <input checked="" type="checkbox"/> (Yes/No) |
| (3013) | Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}  |  | <input checked="" type="checkbox"/> (Yes/No) |
| (3014) | If yes, does your company file the RUS annual report<br>Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:  |  | <input checked="" type="checkbox"/>          |
| (3015) | Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)   |  | <input checked="" type="checkbox"/>          |
| (3016) | PDF of Balance Sheet, Income Statement and Statement of Cash Flows  |  | <input checked="" type="checkbox"/>          |
| (3017) | If the response is yes on line 3014, attach your company's RUS annual report and all required documentation   | Name of Attached Document Listing Required Information | 452169az3017                                 |
| (3018) | If the response is no on line 3014, Is your company audited?<br><br>If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains :   |  | <input type="checkbox"/> (Yes/No)            |
| (3019) | Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications   |  | <input type="checkbox"/>                     |
| (3020) | PDF of Balance Sheet, Income Statement and Statement of Cash Flows  |  | <input type="checkbox"/>                     |
| (3021) | Management letter issued by the independent certified public accountant that performed the company's financial audit.<br><br>If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:<br>Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers, |  | <input type="checkbox"/>                     |
| (3022) | Underlying information subjected to a review by an independent certified public accountant  |  | <input type="checkbox"/>                     |
| (3023) | Underlying information subjected to an officer certification.   |  | <input type="checkbox"/>                     |
| (3024) | Underlying information subjected to an officer certification.   |  | <input type="checkbox"/>                     |
| (3025) | PDF of Balance Sheet, Income Statement and Statement of Cash Flows  |  | <input type="checkbox"/>                     |
| (3026) | Attach the worksheet listing required information   | Name of Attached Document Listing Required Information |  |

|   |  |
|---|--|
| <b>Certification - Reporting Carrier<br/>Data Collection Form</b> | FCC Form 481<br>OMB Control No. 3060-0986/OMB Control No. 3060-0819<br>July 2013 |
|---|--|

|                    |  |                          |
|--------------------|--|--------------------------|
| <b>&lt;010&gt;</b> | <b>Study Area Code</b>   | 452169                   |
| <b>&lt;015&gt;</b> | <b>Study Area Name</b>   | SAN CARLOS APACHE        |
| <b>&lt;020&gt;</b> | <b>Program Year</b>  | 2014                     |
| <b>&lt;030&gt;</b> | <b>Contact Name - Person USAC should contact regarding this data</b>                       | Shirley Ortiz            |
| <b>&lt;035&gt;</b> | <b>Contact Telephone Number - Number of person identified in data line &lt;030&gt;</b>     | 928-475-2433             |
| <b>&lt;039&gt;</b> | <b>Contact Email Address - Email Address of person identified in data line &lt;030&gt;</b> | shirley.ortiz@scatui.com |

**TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:**

| <b>Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients</b>   |                                |
|---|--------------------------------|
| I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate. |                                |
| Name of Reporting Carrier:  |                                |
| Signature of Authorized Officer:  | Date                           |
| Printed name of Authorized Officer:   |                                |
| Title or position of Authorized Officer:  |                                |
| Telephone number of Authorized Officer:   |                                |
| Study Area Code of Reporting Carrier:   | Filing Due Date for this form: |
| Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.  |                                |

|   |  |
|---|--|
| <b>Certification - Agent / Carrier</b><br><b>Data Collection Form</b> | FCC Form 481<br>OMB Control No. 3060-0986/OMB Control No. 3060-0819<br>July 2013 |
|---|--|

|   |                          |
|---|--------------------------|
| <010> Study Area Code   | 452169                   |
| <015> Study Area Name   | SAN CARLOS APACHE        |
| <020> Program Year  | 2014                     |
| <030> Contact Name - Person USAC should contact regarding this data                 | Shirley Ortiz            |
| <035> Contact Telephone Number - Number of person identified in data line <030>     | 928-475-2433             |
| <039> Contact Email Address - Email Address of person identified in data line <030> | shirley.ortiz@scatui.com |

**TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:**

|  |  |
|--|--|
| <b>Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier</b>   |  |
| I certify that (Name of Agent) <u>Jean Langkop</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate. |  |
| Name of Authorized Agent:  | Jean Langkop                                     |
| Name of Reporting Carrier:   | SAN CARLOS APACHE                                |
| Signature of Authorized Officer:   | CERTIFIED ONLINE Date: 10/11/2013                |
| Printed name of Authorized Officer:  | Shirley Ortiz                                    |
| Title or position of Authorized Officer:   | CEO  |
| Telephone number of Authorized Officer:  | 928-475-2433                                     |
| Study Area Code of Reporting Carrier:  | 452169 Filing Due Date for this form: 10/15/2013 |
| Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.   |  |

**TO BE COMPLETED BY THE AUTHORIZED AGENT:**

|  |  |
|--|--|
| <b>Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier</b>  |  |
| I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate. |  |
| Name of Reporting Carrier:   | SAN CARLOS APACHE                                |
| Name of Authorized Agent or Employee of Agent:   | Jean Langkop                                     |
| Signature of Authorized Agent or Employee of Agent:  | CERTIFIED ONLINE Date: 10/11/2013                |
| Printed name of Authorized Agent or Employee of Agent:   | Jean Langkop                                     |
| Title or position of Authorized Agent or Employee of Agent:  | Director - Business Compliance                   |
| Telephone number of Authorized Agent or Employee of Agent:   | 512-343-2544                                     |
| Study Area Code of Reporting Carrier:  | 452169 Filing Due Date for this form: 10/15/2013 |
| Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.   |  |

## Attachments



**(800) Operating Companies**

## Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

|       |   |  |
|-------|---|--|
| <010> | Study Area Code   | 452169   |
| <015> | Study Area Name   | SAN CARLOS APACHE                                  |
| <020> | Program Year  | 2014   |
| <030> | Contact Name - Person USAC should contact regarding this data                 | Shirley Ortiz                                      |
| <035> | Contact Telephone Number - Number of person identified in data line <030>     | 928-475-2433                                       |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | shirley.ortiz@scatui.com                           |
| <810> | Reporting Carrier   | San Carlos Apache Telecommunications Utility, Inc. |
| <811> | Holding Company   | San Carlos Apache Telecommunications Utility, Inc. |
| <812> | Operating Company   | San Carlos Apache Telecommunications Utility, Inc. |

[illegible]

## LINE 310 – UNFILLED SERVICE REQUESTS

At the end of 2012, San Carlos Apache Telecommunications Utility, Inc. (the Company) had six requests for voice service that were unfilled. All six requests are in a new residential subdivision where there was no in ground infrastructure. Service to this new subdivision is part of a fiber to the home project funded through an America Recovery and Reinvestment grant and certain contracting approvals necessary to complete the fiber buildout were not received in 2012. Service is expected to be provided to all six customers by the end of 2013.

**Line 510 - § 54.313(a)(5) – Service Quality and Consumer Protection Rules Compliance**

As a company owned by the San Carlos Apache Tribe, it is reasonable that SCATUI operates under service quality standards and customer protections that are in the best interest of its customers, who are mostly members of the Tribe. The rates, terms and conditions under which SCATUI operates are outlined in its Local Exchange Tariff which was modeled after the tariffs of state regulated small rural ILECs, although SCATUI itself is not regulated by the Arizona Corporation Commission (ACC). SCATUI modifies its tariff from time to time with approval of, or at the request of the Tribal Council. The Company's tariff contains provisions regarding its customer service and protection practices, including resolving disputes with the Company, applying for service, the classification of business and residential rates, deposits, billing and payment for service, refusal, disconnection and cancellation of service. The tariff is available for customer review in the Business Office, as requested. Rates and terms of service are disclosed to customers upon application for service both verbally and in writing as part of a packet of information for new customers. Rates, applications and certain terms of service are also available on SCATUI's website [www.scatui.net](http://www.scatui.net).

Service quality standards are established by the SCATUI Board of Directors with a Tribal Council liaison sitting on the Board. Monthly reports on service quality compliance are provided to the Board, with periodic updates to the Tribal Council.

The protection of customers' privacy and information is of utmost importance and the Company has a policy and established operating procedures that comply with the FCC's Customer Proprietary Network Information (CPNI) rules (47 C.F.R. §§64.2001-64.2011). Certification of the Company's compliance with CPNI rules and a description of the Company's operating procedures that ensure compliance are filed at the FCC annually.

**Line 610 - § 54.313(a)(6) – Ability to Remain Functional in an Emergency Situation**

SCATUI's network is designed to remain functional in an emergency situation. Standby power generators are supplied at the central office, remote switch sites, and repeater sites to ensure functionality without an external power source until power is restored, so long as fuel is available. The network is capable of managing traffic spikes resulting from emergency situations.

SCATUI has a restoration plan in place to restore any disruption in service expeditiously, including splicing of damaged facilities when warranted. SCATUI has installed three Sonet fiber rings that increase the survivability of its network. Implementation of the rings allows SCATUI to maintain service to their remote electronic sites in the event of a fiber outage, making SCATUI's network efficient, economical, and reliable.



#### **Line 920 - § 54.313(a) (9) Tribal Engagement Obligation**

San Carlos Apache Telecommunications Utility, Inc. (SCATUI) is a tribally owned company and as such, communications with the San Carlos Apache Tribe (SCAT or the Tribe) and the Tribal Council are essential to SCATUI's operation. SCATUI's General Manager and the President or other member of its Board of Directors meet with the San Carlos Apache Tribal Council and other SCAT representatives on a quarterly basis to provide progress reports on SCATUI's various communications and broadband plans, and engage in conversations regarding any modifications needed to meet the needs of the Tribe.

SCATUI's General Manager and management team also participate in SCAT's annual Special Council Meeting. During the annual meeting SCATUI presents its year-end accomplishments, financial information, as well as future goals and projects for the coming New Year.

#### **Needs Assessment and Deployment Planning**

Since SCATUI's inception, discussions between SCAT and SCATUI regarding needs assessment and deployment planning have been integral to the growth in its customer base on the reservation from approximately 600 in 1998 to over 2,600 in 2013. Ongoing discussions and planning result in new services, and expanding telecommunications services and broadband to new developments on the reservation, including new community anchor institutions such as a new hospital and proposed new school.

#### **Feasibility and Sustainability Planning**

At least every five years the Tribe develops a Comprehensive Economic Development Strategy and SCATUI is an active participant in the planning process. The next strategic plan is scheduled for publication in 2014.

#### **Marketing in a Culturally Sensitive Manner**

Marketing is done in a culturally sensitive manner. SCATUI participates in community meetings where it presents information on its services, including the Lifeline and LinkUp Service program, to the public. The presentations are provided in the Apache language for those residents who only speak Apache. Other services have been customized to meet the needs of the public such as voice mail verbal instructions offered in the Apache language. The majority of SCATUI's employees are members of the SCAT, understand the community's needs, and are sensitive to the cultural differences of our customers.

### **Rights of Way Processes, Land Use Permitting, Facilities Siting, Environmental and Cultural Preservation Review Processes**

During the quarterly meetings and ongoing as necessary, SCATUI engages with the Tribal Council and respective Tribal departments regarding right-of-way, land use, environmental, and cultural preservation review processes specific to each project..

### **Tribal Business and Licensing Requirements**

SCATUI complies with Tribal business and licensing requirements, as required. SCATUI is required to obtain a Tribal Privilege License, and also must apply for a Tribal Business License annually as well as a Land Lease agreement.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

|  |                       |  |   |   |                          |
|--|-----------------------|--|---|---|--------------------------|
| <b>USDA-RUS</b><br><br><b>OPERATING REPORT FOR<br/>TELECOMMUNICATIONS BORROWERS</b>  |                       | <i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i><br>BORROWER NAME<br><div style="background-color: black; width: 100%; height: 1.2em; margin-top: 5px;"></div> |   |   |                          |
| <i>INSTRUCTIONS-Submit report to RUS within 30 days after close of the period.<br/>For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.</i>   |                       | PERIOD ENDING<br><div style="background-color: black; width: 100%; height: 1.2em; margin-top: 5px;"></div>   |   | BORROWER DESIGNATION<br><div style="background-color: black; width: 100%; height: 1.2em; margin-top: 5px;"></div> |                          |
| <b>CERTIFICATION</b><br><br><i>We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.</i><br><b>ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.</b><br><br><b>DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII</b><br><i>(Check one of the following)</i><br><br><div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.         </div> <div style="width: 45%;"> <input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report         </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 30%; text-align: center;"> <div style="background-color: black; width: 100%; height: 1.2em; margin-bottom: 5px;"></div>             DATE         </div> <div style="width: 30%; text-align: center;"> <div style="background-color: black; width: 100%; height: 1.2em; margin-bottom: 5px;"></div> </div> </div> |                       |  |   |   |                          |
| <b>PART A. BALANCE SHEET</b>   |                       |  |   |   |                          |
| ASSETS   | BALANCE<br>PRIOR YEAR | BALANCE<br>END OF PERIOD   | LIABILITIES AND STOCKHOLDERS' EQUITY                          | BALANCE<br>PRIOR YEAR   | BALANCE<br>END OF PERIOD |
| <b>CURRENT ASSETS</b>  |                       |  | <b>CURRENT LIABILITIES</b>                                    |   |                          |
| 1. Cash and Equivalents  |                       |  | 25. Accounts Payable  |   |                          |
| 2. Cash-RUS Construction Fund  |                       |  | 26. Notes Payable   |   |                          |
| 3. Affiliates:   |                       |  | 27. Advance Billings and Payments                             |   |                          |
| a. Telecom, Accounts Receivable  |                       |  | 28. Customer Deposits   |   |                          |
| b. Other Accounts Receivable   |                       |  | 29. Current Mat. L/T Debt                                     |   |                          |
| c. Notes Receivable  |                       |  | 30. Current Mat. L/T Debt-Rur. Dev.                           |   |                          |
| 4. Non-Affiliates:   |                       |  | 31. Current Mat.-Capital Leases                               |   |                          |
| a. Telecom, Accounts Receivable  |                       |  | 32. Income Taxes Accrued                                      |   |                          |
| b. Other Accounts Receivable   |                       |  | 33. Other Taxes Accrued                                       |   |                          |
| c. Notes Receivable  |                       |  | 34. Other Current Liabilities                                 |   |                          |
| 5. Interest and Dividends Receivable   |                       |  | <b>35. Total Current Liabilities (25 thru 34)</b>             |   |                          |
| 6. Material-Regulated  |                       |  | <b>LONG-TERM DEBT</b>   |   |                          |
| 7. Material-Nonregulated   |                       |  | 36. Funded Debt-RUS Notes                                     |   |                          |
| 8. Prepayments   |                       |  | 37. Funded Debt-RTB Notes                                     |   |                          |
| 9. Other Current Assets  |                       |  | 38. Funded Debt-FFB Notes                                     |   |                          |
| <b>10. Total Current Assets (1 Thru 9)</b>   |                       |  | 39. Funded Debt-Other   |   |                          |
| <b>NONCURRENT ASSETS</b>   |                       |  | 40. Funded Debt-Rural Develop. Loan                           |   |                          |
| 11. Investment in Affiliated Companies   |                       |  | 41. Premium (Discount) on L/T Debt                            |   |                          |
| a. Rural Development   |                       |  | 42. Recquired Debt  |   |                          |
| b. Nonrural Development  |                       |  | 43. Obligations Under Capital Lease                           |   |                          |
| 12. Other Investments  |                       |  | 44. Adv. From Affiliated Companies                            |   |                          |
| a. Rural Development   |                       |  | 45. Other Long-Term Debt                                      |   |                          |
| b. Nonrural Development  |                       |  | <b>46. Total Long-Term Debt (36 thru 45)</b>                  |   |                          |
| 13. Nonregulated Investments   |                       |  | <b>OTHER LIAB. &amp; DEF. CREDITS</b>                         |   |                          |
| 14. Other Noncurrent Assets  |                       |  | 47. Other Long-Term Liabilities                               |   |                          |
| 15. Deferred Charges   |                       |  | 48. Other Deferred Credits                                    |   |                          |
| 16. Jurisdictional Differences   |                       |  | 49. Other Jurisdictional Differences                          |   |                          |
| <b>17. Total Noncurrent Assets (11 thru 16)</b>  |                       |  | 50. Total Other Liabilities and Deferred Credits (47 thru 49) |   |                          |
| <b>PLANT, PROPERTY, AND EQUIPMENT</b>  |                       |  | <b>EQUITY</b>   |   |                          |
| 18. Telecom, Plant-in-Service  |                       |  | 51. Cap. Stock Outstand. & Subscribed                         |   |                          |
| 19. Property Held for Future Use   |                       |  | 52. Additional Paid-in-Capital                                |   |                          |
| 20. Plant Under Construction   |                       |  | 53. Treasury Stock  |   |                          |
| 21. Plant Adj., Nonop. Plant & Goodwill  |                       |  | 54. Membership and Cap. Certificates                          |   |                          |
| 22. Less Accumulated Depreciation  |                       |  | 55. Other Capital   |   |                          |
| <b>23. Net Plant (18 thru 21 less 22)</b>  |                       |  | 56. Patronage Capital Credits                                 |   |                          |
| <b>24. TOTAL ASSETS (10+17+23)</b>   |                       |  | 57. Retained Earnings or Margins                              |   |                          |
|  |                       |  | <b>58. Total Equity (51 thru 57)</b>                          |   |                          |
|  |                       |  | <b>59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)</b>         |   |                          |

Total Equity =            % of Total Assets

|  |            |  |  |
|--|------------|--|--|
| <p align="center"><i>USDA-RUS</i></p> <p align="center"><b>OPERATING REPORT FOR<br/>TELECOMMUNICATIONS BORROWERS</b></p> |            | <p>BORROWER DESIGNATION</p> <p>AZ0512</p>  |  |
| <p>INSTRUCTIONS- See RUS Bulletin 1744-2</p>   |            | <p>PERIOD ENDING</p> <p>December, 2012</p> |  |
| <p align="center"><b>PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS</b></p>                               |            |  |  |
| ITEM   | PRIOR YEAR | THIS YEAR                                  |  |
| 1. Local Network Services Revenues   |            |  |  |
| 2. Network Access Services Revenues  |            |  |  |
| 3. Long Distance Network Services Revenues   |            |  |  |
| 4. Carrier Billing and Collection Revenues   |            |  |  |
| 5. Miscellaneous Revenues  |            |  |  |
| 6. Uncollectible Revenues  |            |  |  |
| 7. Net Operating Revenues (1 thru 5 less 6)  |            |  |  |
| 8. Plant Specific Operations Expense   |            |  |  |
| 9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)  |            |  |  |
| 10. Depreciation Expense   |            |  |  |
| 11. Amortization Expense   |            |  |  |
| 12. Customer Operations Expense  |            |  |  |
| 13. Corporate Operations Expense   |            |  |  |
| 14. Total Operating Expenses (8 thru 13)   |            |  |  |
| 15. Operating Income or Margins (7 less 14)  |            |  |  |
| 16. Other Operating Income and Expenses  |            |  |  |
| 17. State and Local Taxes  |            |  |  |
| 18. Federal Income Taxes   |            |  |  |
| 19. Other Taxes  |            |  |  |
| 20. Total Operating Taxes (17+18+19)   |            |  |  |
| 21. Net Operating Income or Margins (15+16-20)   |            |  |  |
| 22. Interest on Funded Debt  |            |  |  |
| 23. Interest Expense - Capital Leases  |            |  |  |
| 24. Other Interest Expense   |            |  |  |
| 25. Allowance for Funds Used During Construction   |            |  |  |
| 26. Total Fixed Charges (22+23+24-25)  |            |  |  |
| 27. Nonoperating Net Income  |            |  |  |
| 28. Extraordinary Items  |            |  |  |
| 29. Jurisdictional Differences   |            |  |  |
| 30. Nonregulated Net Income  |            |  |  |
| 31. Total Net Income or Margins (21+27+28+29+30-26)  |            |  |  |
| 32. Total Taxes Based on Income  |            |  |  |
| 33. Retained Earnings or Margins Beginning-of-Year   |            |  |  |
| 34. Miscellaneous Credits Year-to-Date   |            |  |  |
| 35. Dividends Declared (Common)  |            |  |  |
| 36. Dividends Declared (Preferred)   |            |  |  |
| 37. Other Debits Year-to-Date  |            |  |  |
| 38. Transfers to Patronage Capital   |            |  |  |
| 39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]  |            |  |  |
| 40. Patronage Capital Beginning-of-Year  |            |  |  |
| 41. Transfers to Patronage Capital   |            |  |  |
| 42. Patronage Capital Credits Retired  |            |  |  |
| 43. Patronage Capital End-of-Year (40+41-42)   |            |  |  |
| 44. Annual Debt Service Payments   |            |  |  |
| 45. Cash Ratio [(14+20-10-11) / 7]   |            |  |  |
| 46. Operating Accrual Ratio [(14+20+26) / 7]   |            |  |  |
| 47. TIER [(31+26) / 26]  |            |  |  |
| 48. DSCR [(31+26+10+11) / 44]  |            |  |  |



|  |            |            |                               |                    |              |   |              |
|--|------------|------------|-------------------------------|--------------------|--------------|---|--------------|
| <div>USDA-RUS</div> <div>OPERATING REPORT FOR<br/>TELECOMMUNICATIONS BORROWERS</div> <div>INSTRUCTIONS - See RUS Bulletin 1744-2</div> |            |            |                               |                    |              | <div>BORROWER DESIGNATION</div> <div>AZ0512</div> <div>PERIOD ENDED</div> <div>December, 2012</div> |              |
| Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION  |            |            |                               |                    |              |   |              |
|  | 1. RATES   |            | 2. SUBSCRIBERS (ACCESS LINES) |                    |              | 3. ROUTE MILES  |              |
| EXCHANGE   | B-1<br>(a) | R-1<br>(b) | BUSINESS<br>(a)               | RESIDENTIAL<br>(b) | TOTAL<br>(c) | TOTAL<br>(including fiber)<br>(a)   | FIBER<br>(b) |
| San Carlos   |            |            |                               |                    |              |   |              |
|  |            |            |                               |                    |              |   |              |
| Route Mileage<br>Outside Exchange<br>Area  |            |            |                               |                    |              |   |              |
| Total  |            |            |                               |                    |              |   |              |
|  |            |            |                               |                    |              |   |              |

|   |   |                                       |                                 |  |  |                        |   |                              |
|---|---|---------------------------------------|---------------------------------|--|--|------------------------|---|------------------------------|
| <p>USDA-RUS</p> <p><b>OPERATING REPORT FOR<br/>TELECOMMUNICATIONS BORROWERS</b></p> <p>INSTRUCTIONS - See RUS Bulletin 1744-2</p> |   |                                       |                                 |  |  |                        | <p>BORROWER DESIGNATION<br/>AZ0512</p> <p>PERIOD ENDED<br/>December, 2012</p> |                              |
| <b>Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, &amp; HIGH SPEED DATA INFORMATION</b>  |   |                                       |                                 |  |  |                        |   |                              |
| <b>4. BROADBAND SERVICE</b>   |   |                                       |                                 |  |  |                        |   |                              |
| <b>Details on Least Expensive Broadband Service</b>   |   |                                       |                                 |  |  |                        |   |                              |
| EXCHANGE  | No. Access Lines<br>with BB<br>available<br>(a) | No Of Broadband<br>Subscribers<br>(b) | Number Of<br>Subscribers<br>(c) | Advertised<br>Download Rate<br>(Kbps)<br>(d) | Advertised<br>Upload<br>Rate (Kbps)<br>(e) | Price Per Month<br>(f) | Standalone/Pckg<br>(f)  | Type Of<br>Technology<br>(g) |
| San Carlos  |   |                                       |                                 |  |  |                        | StandAlone  | DSL                          |
| Total   |   |                                       |                                 |  |  |                        |   |                              |

| USDA-RUS<br><br><b>OPERATING REPORT FOR<br/>TELECOMMUNICATIONS BORROWERS</b>  |   |   | BORROWER DESIGNATION<br><div style="background-color: black; width: 100px; height: 15px; margin-bottom: 5px;"></div> PERIOD ENDING<br>December, 2012 |   |                           |             |   |  |             |   |  |
|---|---|---|--|---|---------------------------|-------------|---|--|-------------|---|--|
| INSTRUCTIONS- See RUS Bulletin 1744-2   |   |   |  |   |                           |             |   |  |             |   |  |
| <b>PART D. SYSTEM DATA</b>  |   |   |  |   |                           |             |   |  |             |   |  |
| 1. No. Plant Employees  |   | 2. No. Other Employees  |  | 3. Square Miles Served                      |                           |             |   |  |             |   |  |
|   |   |   |  |   |                           |             |   |  |             |   |  |
| <b>PART E. TOLL DATA</b>  |   |   |  |   |                           |             |   |  |             |   |  |
| 1. Study Area ID Code(s)<br><br>a. 452169<br>b. _____<br>c. _____<br>d. _____<br>e. _____<br>f. _____<br>g. _____<br>h. _____<br>i. _____<br>j. _____ |   | 2. Types of Toll Settlements (Check one)<br><br><table style="width: 100%; border: none;"> <tr> <td style="width: 40%;">Interstate:</td> <td style="width: 20%;"><input type="checkbox"/> Average Schedule</td> <td style="width: 20%;"><input checked="" type="checkbox"/> Cost Basis</td> </tr> <tr> <td>Intrastate:</td> <td><input type="checkbox"/> Average Schedule</td> <td><input checked="" type="checkbox"/> Cost Basis</td> </tr> </table> |  |   |                           | Interstate: | <input type="checkbox"/> Average Schedule | <input checked="" type="checkbox"/> Cost Basis | Intrastate: | <input type="checkbox"/> Average Schedule | <input checked="" type="checkbox"/> Cost Basis |
| Interstate:   | <input type="checkbox"/> Average Schedule | <input checked="" type="checkbox"/> Cost Basis  |  |   |                           |             |   |  |             |   |  |
| Intrastate:   | <input type="checkbox"/> Average Schedule | <input checked="" type="checkbox"/> Cost Basis  |  |   |                           |             |   |  |             |   |  |
| <b>PART F. FUNDS INVESTED IN PLANT DURING YEAR</b>  |   |   |  |   |                           |             |   |  |             |   |  |
| 1. RUS, RTB, & FFB Loan Funds Expended  |   |   |  |   |                           |             |   |  |             |   |  |
| 2. Other Long-Term Loan Funds Expended  |   |   |  |   |                           |             |   |  |             |   |  |
| 3. Funds Expended Under RUS Interim Approval  |   |   |  |   |                           |             |   |  |             |   |  |
| 4. Other Short-Term Loan Funds Expended   |   |   |  |   |                           |             |   |  |             |   |  |
| 5. General Funds Expended (Other than Interim)  |   |   |  |   |                           |             |   |  |             |   |  |
| 6. Salvaged Materials   |   |   |  |   |                           |             |   |  |             |   |  |
| 7. Contribution in Aid to Construction  |   |   |  |   |                           |             |   |  |             |   |  |
| 8. Gross Additions to Telecom. Plant (1 thru 7)   |   |   |  |   |                           |             |   |  |             |   |  |
| <b>PART G. INVESTMENTS IN AFFILIATED COMPANIES</b>  |   |   |  |   |                           |             |   |  |             |   |  |
| INVESTMENTS<br><br>(a)  | CURRENT YEAR DATA                         |   | CUMULATIVE DATA  |   |                           |             |   |  |             |   |  |
|   | Investment<br>This Year<br>(b)            | Income/Loss<br>This Year<br>(c)   | Cumulative<br>Investment<br>To Date<br>(d)   | Cumulative<br>Income/Loss<br>To Date<br>(e) | Current<br>Balance<br>(f) |             |   |  |             |   |  |
| 1. Investment in Affiliated Companies - Rural Development   |   |   |  |   |                           |             |   |  |             |   |  |
| 2. Investment in Affiliated Companies - Nonrural Development  |   |   |  |   |                           |             |   |  |             |   |  |

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| <b>USDA-RUS</b><br><br><b>OPERATING REPORT FOR</b><br><b>TELECOMMUNICATIONS BORROWERS</b>  | BORROWER DESIGNATION<br>AZ0512<br><br>PERIOD ENDING<br>December, 2012 |
| <b>PART H. CURRENT DEPRECIATION RATES</b>  |   |
| Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one) <span style="float: right;"> <input checked="checked" type="checkbox"/> YES    <input type="checkbox"/> NO                 </span> |   |
| <b>EQUIPMENT CATEGORY</b>  | <b>DEPRECIATION RATE</b>  |
| 1. Land and support assets - Motor Vehicles  | ██████  |
| 2. Land and support assets - Aircraft  | ██████  |
| 3. Land and support assets - Special purpose vehicles  | ██████  |
| 4. Land and support assets - Garage and other work equipment   | ██████  |
| 5. Land and support assets - Buildings   | ██████  |
| 6. Land and support assets - Furniture and Office equipment  | ██████  |
| 7. Land and support assets - General purpose computers   | ██████  |
| 8. Central Office Switching - Digital  | ██████  |
| 9. Central Office Switching - Analog & Electro-mechanical  | ██████  |
| 10. Central Office Switching - Operator Systems  | ██████  |
| 11. Central Office Transmission - Radio Systems  | ██████  |
| 12. Central Office Transmission - Circuit equipment  | ██████  |
| 13. Information origination/termination - Station apparatus  | ██████  |
| 14. Information origination/termination - Customer premises wiring   | ██████  |
| 15. Information origination/termination - Large private branch exchanges   | ██████  |
| 16. Information origination/termination - Public telephone terminal equipment  | ██████  |
| 17. Information origination/termination - Other terminal equipment   | ██████  |
| 18. Cable and wire facilities - Poles  | ██████  |
| 19. Cable and wire facilities - Aerial cable - Metal   | ██████  |
| 20. Cable and wire facilities - Aerial cable - Fiber   | ██████  |
| 21. Cable and wire facilities - Underground cable - Metal  | ██████  |
| 22. Cable and wire facilities - Underground cable - Fiber  | ██████  |
| 23. Cable and wire facilities - Buried cable - Metal   | ██████  |
| 24. Cable and wire facilities - Buried cable - Fiber   | ██████  |
| 25. Cable and wire facilities - Conduit systems  | ██████  |
| 26. Cable and wire facilities - Other  | ██████  |
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| USDA-RUS<br><br><b>OPERATING REPORT FOR<br/>TELECOMMUNICATIONS BORROWERS</b>                                   |  | BORROWER DESIGNATION<br>AZ0512  |
| INSTRUCTIONS – See help in the online application.   |  | PERIOD ENDED<br>December , 2012 |
| <b>PART I – STATEMENT OF CASH FLOWS</b>  |  |                                 |
| <b>1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)</b>                                     |  |                                 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |  |                                 |
| <b>2. Net Income</b>   |  |                                 |
| <i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>                        |  |                                 |
| 3. Add: Depreciation   |  |                                 |
| 4. Add: Amortization   |  |                                 |
| 5. Other (Explain)   |  |                                 |
| <i>Changes in Operating Assets and Liabilities</i>   |  |                                 |
| 6. Decrease/(Increase) in Accounts Receivable  |  |                                 |
| 7. Decrease/(Increase) in Materials and Inventory  |  |                                 |
| 8. Decrease/(Increase) in Prepayments and Deferred Charges   |  |                                 |
| 9. Decrease/(Increase) in Other Current Assets   |  |                                 |
| 10. Increase/(Decrease) in Accounts Payable  |  |                                 |
| 11. Increase/(Decrease) in Advance Billings & Payments   |  |                                 |
| 12. Increase/(Decrease) in Other Current Liabilities   |  |                                 |
| <b>13. Net Cash Provided/(Used) by Operations</b>  |  |                                 |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |  |                                 |
| 14. Decrease/(Increase) in Notes Receivable  |  |                                 |
| 15. Increase/(Decrease) in Notes Payable   |  |                                 |
| 16. Increase/(Decrease) in Customer Deposits   |  |                                 |
| 17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)                                   |  |                                 |
| 18. Increase/(Decrease) in Other Liabilities & Deferred Credits  |  |                                 |
| 19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital |  |                                 |
| 20. Less: Payment of Dividends   |  |                                 |
| 21. Less: Patronage Capital Credits Retired  |  |                                 |
| 22. Other (Explain)  |  |                                 |
| <b>23. Net Cash Provided/(Used) by Financing Activities</b>  |  |                                 |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |  |                                 |
| 24. Net Capital Expenditures (Property, Plant & Equipment)   |  |                                 |
| 25. Other Long-Term Investments  |  |                                 |
| 26. Other Noncurrent Assets & Jurisdictional Differences   |  |                                 |
| 27. Other (Explain)<br>Reconciling Adjustments including Plant Retirements                                     |  |                                 |
| <b>28. Net Cash Provided/(Used) by Investing Activities</b>  |  |                                 |
| <b>29. Net Increase/(Decrease) in Cash</b>   |  |                                 |
| <b>30. Ending Cash</b>   |  |                                 |

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| <p>USDA-RUS</p> <p><b>OPERATING REPORT FOR<br/>TELECOMMUNICATIONS BORROWERS</b></p> | <p>BORROWER DESIGNATION</p> <p>AZ0512</p> |
| <p>INSTRUCTIONS - See RUS Bulletin 1744-2</p>                                       | <p>PERIOD ENDED<br/>December, 2012</p>    |
| <p><b>NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b></p>        |   |
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| <p>USDA-RUS</p> <p><b>OPERATING REPORT FOR<br/>TELECOMMUNICATIONS BORROWERS</b></p>                     | <p>BORROWER DESIGNATION</p> <p>AZ0512</p> |
| <p>INSTRUCTIONS - See RUS Bulletin 1744-2</p>   | <p>PERIOD ENDED</p> <p>December, 2012</p> |
| <p><b>CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b></p> |   |
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